

ORIGINAL

MINORITY MEDIA AND  
TELECOMMUNICATIONS COUNCIL

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Washington, D.C. 20010

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November 18, 2002

Hon. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12th Street S.W.  
Washington, D.C. 20554

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Dear Ms. Dortch:

RE: MB Docket No. 02-277 (Biennial Review  
of Broadcast Ownership Rules)

MM Docket No. 01-235 (Broadcast/  
Newspaper Crossownership)

MM Docket No. 01-317 (Local Radio  
Ownership)

MM Docket No. 00-240 (Definition of  
Radio Markets)

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Pursuant to 47 CFR §1.1206, this will disclose that in connection with these permit-but-disclose proceedings, a delegation from the Minority Media and Telecommunications Council ("MMTC") met with Chairman Michael Powell on November 13, 2002 from 4:30 to 5:45 PM. Our delegation included Antionette Cook Bush, Esq. (MMTC Director), Eduardo Peña, Esq. (Communications Counsel for the League of United Latin American Citizens), Charles Glover and Clifford Gaston (President and Vice President of Corporate Media Consultants Group), Lawrence Roberts, Esq. (MMTC Director), James Winston, Esq. (Executive Director, National Association of Black Owned Broadcasters) and myself. Accompanying Chairman Powell were Susan Eid, Esq., Legal Assistant to the Chairman, and Paul Gallant, Esq., Special Advisor, Media Ownership Working Group, Media Bureau.

The main points of our presentation are described in the attached document entitled "MMTC's Immediate Concerns With The omnibus broadcast Ownership Biennial Review", which we distributed at the meeting. We made the following additional points:

1. Research in the proceeding is unlikely to be undertaken by organizations with modest budgets, given the numerosity of issues to be addressed and the time constraints imposed by the comment deadline. MMTC convened 53 people from all affected groups at the Commerce Department November 6 to discuss, inter alia, research issues attendant to the proceeding, but thus far no joint studies have been proposed by those at the meeting.
2. Television duopoly has made it especially difficult for minorities to do television transactions. Since 1999, when the new TV duopoly rules were adopted, minority ownership of full power TV stations has declined from 33 stations to 20.
3. A transaction announced the morning of the meeting (November 13) is the first minority TV deal in three years. In the transaction, Corporate Media Group is buying two television stations from Paxson Communications. The stations being purchased are Paxson O&Os in Portland, ME and St. Croix, VI. The transaction happened because Paxson undertook to provide opportunity to minorities, as have two other companies, Clear Channel Communications and Infinity Broadcasting. These companies have simply invited minorities to bid and be considered fully and fairly; they provided opportunity, and they did not need to offer price breaks.
4. A particular concern of MMTC, NABOB and LULAC is minorities' lack of access to capital, with a closely related concern being the very high rates of return (e.g. 35%) that many investors require before underwriting a transaction.
5. Concentration of ownership removes transactional opportunities from the reach of new entrants, thereby driving away venture capital.

# MINORITY MEDIA AND TELECOMMUNICATIONS COUNCIL

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November 13, 2002

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## **MMTC's Immediate Concerns With The Omnibus Broadcast Ownership Biennial Review**

Lawrence Roberts  
Secretary

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### 1. **What Minority Broadcasters Need**

- Capital (still the #1 need)
- Deal Flow (being invited to bid when others are invited)
- Achievable Deal Terms (the McCain Bill)
- Skills for the Next Generation of Owners (EEO; incubators)

### 2. **NPRM Action Items**

- Minority ownership is central to structural regulation. Therefore, the Commission should ask specifically how the structural rules can be designed to promote minority ownership. An expedited ruling on the MMTC/NABOB October 9, 2002 Motion would afford the parties a reasonable opportunity to consider this question.
- Two paradigms are worthy of consideration: (a) examine the landscape of what the industry does voluntarily, and take that into account in deciding how much deregulation might be reasonable; and/or (b) design minority ownership incentives into the rules themselves.

### 3. **Procedural Issues in Developing a Record**

- The Commission should include the Section 257 studies in the record.
- Organizations with modest resources need support for studies that others are not going to perform.
- Public hearings are always a good idea. If the hearings are bipartisan, they are a wonderful idea.
- If the 112 global and 67 subsidiary questions are to be answered thoughtfully, the January 2, 2003 comment deadline is far from realistic, as is the goal of issuing an R&Q in the spring. The Commission should keep an open mind on deadlines, invite ex parte submissions, and consider authorizing a third round of formal comments.

\* \* \* \* \*

Hon. Marlene Dortch  
November 18, 2002  
Page Three.

An original and two copies of this letter are being filed  
with the Secretary.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**David Honig**  
Executive Director

Attachment

cc: Hon. Michael Powell  
Susan Eid, Esq.  
Paul Gallant, Esq.

/dh